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PART II:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

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BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

Notice of Proposed Rulemaking

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[45 CFR Part 190]

BASIC EDUCATION OPPORTUNITY GRANT PROGRAM

Notice of Proposed Rulemaking

Pursuant to the authority contained in Subpart 1 of Part A of Title IV of the Higher Education Act of 1965 as amended (20 U.S.C. 1070a) notice is hereby given that the Commissioner of Education, with the approval of the Secretary of Health, Education, and Welfare, proposes to issue the following amendments to the regulations covering the basis for determining the expected family contribution schedules of both dependent and independent students for academic year 1977–78.

These amendments are being submitted for public comment and review by both Houses of Congress in advance of the February 1 deadline specified in section 411(a) of the Higher Education Act of 1965 as amended (20 U.S.C. 1070a) so that review of the Schedules may be completed earlier than May 1, which is the date listed in the statute. It is the opinion of the Commissioner that the May 1 deadline for Congressional action does not permit students, parents, and educational institutions sufficient time to make effective decisions concerning the packaging of student financial aid resources. The regulations to which these amendments are proposed were previously published on April 4, 1975 (40 FR 15248).

The proposed amendments provide for a 6% increase in the family size offsets used during the 1976–77 academic year. This increase in living allowance is an estimate, and will be changed in accordance with the actual increase in the Consumer Price Index as published by the Bureau of Labor Statistics at the end of the year. The intent of this increase is to take into account inflation of the basic cost of living during the current year.

The proposed regulations further require that in cases where a parent of a dependent applicant whose income and assets are taken into account in determining the annual adjusted family income has remarried, and the student is residing with that parent and that parent's spouse, the income and assets of that parent and that parent's spouse must be reported as available to the applicant, regardless of the family's tax filing status or of the step-parent's legal relationship to the applicant. This clarification assures greater equity of reported family resources for applicants in such circumstances.

Interested persons are invited to submit written comments, suggestions, or objections regarding the proposed rules to Mr. Peter K. U. Voigt, Director, Division of Basic and State Student Grants, U.S. Office of Education, Room 4717, ROB-3, 400 Maryland Avenue, SW., Washington, D.C. 20202. Comments received in response to this notice will be available for public inspection at the above office Monday through Friday between 8:30 a.m. and 4:30 p.m. All relevant material must be received not later than September 10, 1976.

(Catalog of Federal Domestic Assistance No. 13.539, Basic Educational Opportunity Grant Program.)

Dated: June 21, 1976.

T. H. BELL,
Commissioner of Education.

Approved: August 4, 1976.

DAVID MATHEWS,
Secretary of Health, Education, and Welfare.

Part 190 of Chapter I of Title 45 of the Code of Federal Regulations would be amended as follows:

PART 190—BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

1. In § 190.32(a), subparagraph (2) would become (2)(i), and subparagraph (a)(2)(ii) would be added to read as follows:

§ 190.32 Special definitions.

(a) * * *

(2)(i) * * *

(ii) In the case of a student whose parents are divorced and the parent whose income is taken into account pursuant to paragraph (a)(2)(i) of this section has remarried and the student is residing with that parent and the parent's spouse, the income of that parent's spouse shall also be considered in determining the annual adjusted family income.

* * * * *

2. In § 190.33, paragraph (c)(1) would be revised to read as follows:

§ 190.33 The expected family contribution for dependent students from parents' and student's effective income.

* * * * *

(c) * * *

(1) *Family size offset.* A family size offset is the amount specified in the following table. Family members include the student, the student's parents and the student's parents' dependents. If the parents are divorced or separated, family members shall include the student and any parent whose income is taken into account for the purpose of computing the annual adjusted family income and that parent's dependents. If the parents are divorced and the parent's spouse's income is taken into account for the purpose of computing the annual adjusted family income, family members shall include the student, that parent and spouse, and any dependents of that parent and/or spouse.

FAMILY SIZE OFFSETS

Family members:	Dollar amounts
2	3,850
3	4,650
4	5,950
5	7,000
6	7,950
7	8,800
8	9,700
9	10,600
10	11,500
11	12,400
12	13,300

* * * * *

3. In § 190.35, paragraph (c) would be revised to read as follows:

§ 190.35 Computation of standard expected contribution from parents' assets.

* * * * *

(c)(1) If the student's parents are separated, or divorced and not remarried, only the assets of the parent whose income is taken into account for the purpose of computing annual adjusted family income shall be considered.

(2) In the case of the student whose parents are divorced and the parent whose income is taken into account pursuant to § 190.32(a)(2)(i) has remarried, and the parent's spouse's income is also taken into consideration pursuant to § 190.32(a)(2)(ii), the assets of that parent and that parent's spouse shall also be considered.

4. In § 190.36, paragraph (b) would become (b)(1) and paragraphs (b)(2) through (b)(4) would be added to read as follows:

§ 190.36 Computation of expected contribution from parents' income, student's effective income, and parents' assets, adjusted for number of family members attending institutions of postsecondary education.

(b)(1) * * *

(2) Family members include the student, the student's parents and the student's parents' dependents.

(3) If the student's parents are separated, or divorced and not remarried, family members shall include the student and any parent whose income is taken into account for the purpose of computing annual adjusted family income and that parent's dependents.

(4) In the case of a student whose parents are divorced and the parent's spouse's income is taken into account for the purpose of computing the annual adjusted family income, family members shall include the student, that parent and spouse, and any dependents of that parent and/or spouse.

5. Section 190.43 would be amended by revising paragraph (c)(1) to read as follows:

§ 190.43 The expected family contribution for independent students from annual adjusted family income.

* * * * *

(c) * * *

(1) *Family size offset.* A family size offset is the amount specified in the following table. Family members include the student and his dependents. If the student is divorced or separated, family size shall include any person whose income is taken into account for the purpose of computing the annual adjusted family income and his or her dependents.

FAMILY SIZE OFFSETS

Family members:	*Dollar amounts*
2	3,850
3	4,650
4	5,950
5	7,000
6	7,950
7	8,800
8	9,700
9	10,600
10	11,500
11	12,400
12	13,300

An offset of $1,050 shall be made for the single independent student.

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